

IN THE CLAIMS

Please amend the claims as indicated below.

1. (Currently Amended) A pigmented coating composition comprising:

one or more pigments;

a water soluble, fatty acid modified epoxy ester resin, ~~a fatty acid modified alkyd resin, or a mixture thereof~~; and

a binder obtained by polymerizing (A) an ethylenically unsaturated monomer or a mixture of ethylenically unsaturated monomers in the presence of (B) a polyurethane resin.

- 2-3. (Canceled)

4. (Currently Amended) A process for preparing a pigmented coating composition, comprising:

adding to a coating composition a water soluble, fatty acid modified epoxy ester resin, ~~a fatty acid modified alkyd resin, or a mixture thereof~~,

wherein the pigmented coating composition comprises a binder obtained by polymerizing (A) an ethylenically unsaturated monomer or a mixture of ethylenically unsaturated monomers, in the presence of (B) a polyurethane resin, and

further wherein the pigmented coating composition comprises a pigment.

5. (Previously Presented) The process of claim 4 wherein the water soluble, fatty acid modified epoxy ester resin, the fatty acid modified alkyd resin, or the mixture thereof is mixed with the pigment before mixing with the coating composition.

6. (Canceled)

7. (Previously Presented) A process for making a coated surface, comprising applying the composition of claim 1 to a surface.

8. (Previously Presented) The process of claim 7, wherein the composition of claim 1 comprises at least one component of a basecoat-clearcoat system.
9. (Previously Presented) The process of claim 7, wherein the basecoat-clearcoat system is an automotive paint system.
10. (Previously Presented) The process of claim 7, wherein the automotive paint system is a refinish paint system.
11. (Canceled)
12. (Currently Amended) A method of stabilizing a pigment in a coating composition, comprising mixing at least one pigment with a water soluble, fatty acid modified epoxy ester resin, ~~a fatty acid modified alkyd resin, or a mixture thereof,~~ wherein the coating composition comprises a binder obtained by polymerizing (A) an ethylenically unsaturated monomer or a mixture of ethylenically unsaturated monomers, in the presence of (B) a polyurethane resin.
13. (Previously Presented) The pigmented coating composition of claim 1, wherein the polyurethane resin (B) comprises polymerizable double bonds.
14. (Previously Presented) The pigmented coating composition of claim 1, wherein the number average molecular weight of the polyurethane resin (B) is from 200 to 30,000.
15. (Previously Presented) The pigmented coating composition of claim 1, wherein the ethylenically unsaturated monomer comprises an aliphatic or cycloaliphatic ester of acrylic acid or methacrylic acid, an ethylenically unsaturated monomer carrying at least one hydroxyl group in the molecule, an ethylenically unsaturated monomer carrying at least one carboxyl group in the molecule, or a mixture thereof.
16. (Previously Presented) The pigmented coating composition of claim 1, wherein the binder obtained by polymerizing the ethylenically unsaturated monomer or a mixture of ethylenically unsaturated monomers (A), in the presence of the polyurethane resin (B) comprises groups capable of forming anions.

17. (Previously Presented) The pigmented coating composition of claim 1, wherein the binder obtained by polymerizing the ethylenically unsaturated monomer or a mixture of ethylenically unsaturated monomers (A), in the presence of the polyurethane resin (B) is free of nonionic stabilizing groups.

18. (Previously Presented) The pigmented coating composition of claim 1, wherein the binder obtained by polymerizing the ethylenically unsaturated monomer or a mixture of ethylenically unsaturated monomers (A), in the presence of the polyurethane resin (B) comprises graft copolymers of (A) and (B).

19. (Currently Amended) A pigmented coating composition, comprising:

a pigment;

a water soluble, fatty acid modified epoxy ester resin, ~~a fatty acid modified alkyd resin, or a mixture thereof~~; and

a binder obtained by polymerizing:

(A) an ethylenically unsaturated monomer or a mixture of ethylenically unsaturated monomers; in the presence of

(B) a polyurethane resin comprising polymerizable double bonds, and having a number average molecular weight of from 200 to 30,000.

20. (New) A pigmented coating composition comprising:

one or more pigments;

a water soluble, fatty acid modified epoxy ester resin, a fatty acid modified alkyd resin, or a mixture thereof; and

a binder obtained by polymerizing (A) an ethylenically unsaturated monomer or a mixture of ethylenically unsaturated monomers in the presence of (B) a polyurethane resin, wherein the binder obtained by polymerizing the ethylenically unsaturated monomer or a mixture of ethylenically unsaturated monomers (A), in the presence of the polyurethane resin (B) comprises graft copolymers of (A) and (B).

21. (New) The pigmented coating composition of claim 20, wherein the polyurethane resin (B) comprises polymerizable double bonds.

22. (New) The pigmented coating composition of claim 20, wherein the number average molecular weight of the polyurethane resin (B) is from 200 to 30,000.

23. (New) The pigmented coating composition of claim 20, wherein the ethylenically unsaturated monomer comprises an aliphatic or cycloaliphatic ester of acrylic acid or methacrylic acid, an ethylenically unsaturated monomer carrying at least one hydroxyl group in the molecule, an ethylenically unsaturated monomer carrying at least one carboxyl group in the molecule, or a mixture thereof.

24. (New) The pigmented coating composition of claim 20, wherein the binder obtained by polymerizing the ethylenically unsaturated monomer or a mixture of ethylenically unsaturated monomers (A), in the presence of the polyurethane resin (B) comprises groups capable of forming anions.

25. (New) The pigmented coating composition of claim 20, wherein the binder obtained by polymerizing the ethylenically unsaturated monomer or a mixture of ethylenically unsaturated monomers (A), in the presence of the polyurethane resin (B) is free of nonionic stabilizing groups.